

# Inspector General

United States  
Department *of* Defense



Hotline Review

October 29, 2010

Hotline Allegations Involving Management  
Harassment of a Complainant in the  
Defense Contract Audit Agency  
Western Region

Report No. D-2011-6-001

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## **Acronyms**

|       |  |
|-------|--|
| DCAA  | Defense Contract Audit Agency                    |
| IG    | Inspector General                                |
| GAGAS | Generally Accepted Government Auditing Standards |



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202-4704

OCT 29 2010

MEMORANDUM FOR DIRECTOR, DEFENSE CONTRACT AUDIT AGENCY

SUBJECT: Report on Hotline Allegations Involving Management Harassment of a Complainant in the Defense Contract Audit Agency Western Region (Report No. D-2011-6-001)

We are providing this report for your information and use. We performed this review based on a Defense Hotline complaint. We considered management comments on a draft of this report when preparing the final report. The management comments conformed to the requirements of DOD Directive 7650.3; therefore, additional comments are not required.

We appreciate the courtesies extended to the staff. Questions should be directed to Ms. Carolyn R. Davis at (703) 604-8877 (DSN 664-8877), Carolyn.Davis@dodig.mil.

A handwritten signature in black ink, appearing to read "RRS".

Randolph R. Stone  
Deputy Inspector General  
for Policy and Oversight

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# Hotline Allegations Involving Management Harassment of a Complainant in the Defense Contract Audit Agency Western Region

## Results In Brief

### What We Did

We reviewed the DoD Hotline complaint alleging that Defense Contract Audit Agency (DCAA) Western Region management used various means to harass the complainant between 2006 and 2008.

### What We Found

We substantiated the allegations that DCAA Western Region management had harassed the complainant by unjustifiably lowering the complainant's performance ratings, impeding her ability to comply with generally accepted government auditing standards, and creating a highly stressful environment which forced her to take a lower graded position. In a February 2010 report, DCAA's Internal Review team had substantiated these allegations. DCAA took several remedial actions, such as reevaluating and adjusting the complainant's appraisal ratings to fully successful. We commend the Internal Review team for recognizing the harassment and recommending appropriate remedial actions. However, in reevaluating her ratings, the Internal Review team did not consider all of the complainant's work or the harassment she endured. In addition, DCAA Western Regional management failed to hold management officials accountable for their misconduct or revise any related procedures.

### What We Recommend

DCAA should reassess the complainant's 2006 through 2008 performance appraisal ratings and promotion potential scores, considering all the work she performed and the harassment she endured. DCAA should also consider whether the 2006 through 2008 ratings influenced any subsequent year ratings. The DCAA Director needs to take appropriate administrative actions for the improper use of the performance appraisal process as a means of harassment. Finally, the DCAA Director should evaluate the adequacy of current quality assurance procedures for preventing appraisal ratings from being used as a means of harassment.

### Management Comments and Our Response

DCAA concurred with all recommendations and provided an adequate plan for implementing them. The DCAA action plan includes adjusting the complainant's 2006 through 2008 ratings to her 2005 levels.

United States Department of Defense Office of Inspector General  
\_\_\_\_\_(Project No. D2010-DIP0AI-0251.000)\_\_\_\_\_  
Report No. D-2011-6-001  
October 29, 2010

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# Introduction

## Objectives

We conducted this review to determine whether we could substantiate allegations concerning management harassment of the complainant while working for an audit team in the Western Region of Defense Contract Audit Agency. The complainant specifically alleged that management:

1. Used the performance appraisal process as a means of harassment by lowering her performance rating and promotional potential score;
2. Impeded the complainant's ability to comply with Generally Accepted Government Auditing Standards; and
3. Subjected the complainant to undue stress and harassment that forced her to take a downgraded position.

See Appendix A for a discussion of our scope and methodology.

## Background

**Defense Contract Audit Agency (DCAA)**, under the authority, direction, and control of the United States Under Secretary of Defense (Comptroller), is responsible for performing contract audits for the DoD and providing accounting and financial advisory services regarding contracts and subcontracts to all DoD Components responsible for procurement and contract administration. These services are provided in connection with negotiation, administration, and settlement of contracts and subcontracts.

The allegations addressed in this report involve an audit team assigned to the DCAA Western Region, consisting of approximately nine members.

**The Complainant** joined DCAA in 1984 and served as a Technical Specialist (grade 13) beginning in 2000. As a Technical Specialist, she performs a variety of complex audits and provides audit technical guidance to other auditors on the team.

In 2005, the complainant transferred to the Western Region with the same job title (technical specialist) and duties and responsibilities. The complainant received the highest possible annual appraisal rating (outstanding) for the last three years prior to transferring to DCAA Western Region. By 2008, the complainant's rating under the Western Region audit team declined to the lowest level (unacceptable). On April 24, 2008, the complainant elected to be downgraded to a Senior Auditor position (grade 12), after alleging that she had suffered serious "emotional and physical distress"

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working for the Western Region audit team. In September, 2008, the complainant filed her complaint with the Director of DCAA, who then forwarded it to the DoD Hotline.

**The DCAA Internal Review Team**, hereafter referred to as Internal Review, investigates allegations of wrongdoing made against Agency employees. Internal Review also performs periodic reviews and evaluations and serves as a resource for resolution of workplace related concerns.

Internal Review investigated this complaint and issued a report of its findings on February 18, 2010. Internal Review largely substantiated the allegations. They substantiated that management used the performance evaluation process as a means of harassment, overemphasized metrics which impacted the complainant's ability to comply with GAGAS, and subjected the complainant to undue stress and harassment which forced the complainant to request a lower graded position.

Based on the Internal Review findings, DCAA:

- revised the complainant's 2007 and 2008 performance appraisals to fully successful, and her 2007 promotion potential score from 52 to 60;
- restored her grade 13 and awarded retroactive pay representing the loss in wages from the downgrade; and
- paid the complainant a team award that management had previously denied her.

# Findings

## A. Hotline Allegation: Harassment by Western Region Management

We substantiated the allegations that management of an audit team in the DCAA Western Region harassed the complainant by:

1. Using the performance appraisal process as a means of harassment by lowering her performance rating and her promotional potential score;
2. Impeding the complainant's ability to comply with Generally Accepted Government Auditing Standards; and
3. Subjecting the complainant to undue stress and harassment that forced her to take a downgraded position.

While Internal Review largely substantiated these allegations, they did not consider all work that the complainant performed or the harassment she endured when they adjusted her appraisal ratings to fully successful. DCAA also did not hold any management officials accountable for their actions or revise related procedures to prevent reoccurrences.

1. **Using the Performance Appraisal Process as a Means of Harassment.** We substantiated the allegation that Western Region management used the performance appraisal process as a means of harassing the complainant.

**DCAA Appraisal Process.** The appraisal process at DCAA includes two components, the performance appraisal rating and the promotion potential score. The objective of the performance appraisal is to evaluate the employee's degree of proficiency against pre-established job criteria. The complainant is rated on four criteria; Audit Performance, Technical Advice, Team Coordination, and Working Relationships. For each criterion, DCAA employee performance is rated on a 5-level scale (highest to lowest): outstanding, exceeds fully successful, fully successful, minimally successful, and unacceptable. Using the same 5-level scale, an overall rating is determined primarily on the average rating of the four criteria. The promotion potential score, which is based on a 120-point scale, serves to gauge the employee's ability to assume greater responsibility and meet more demanding work requirements based on the employee's demonstrated competencies.

**Internal Review Investigation.** Internal Review evaluated the complainant's appraisal ratings and performance potential scores given by Western Region management from 2006 to 2008. Internal review found significant flaws with the 2007 and 2008 appraisals and had them adjusted to fully successful. The table below shows the

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complainant's ratings and promotion potential scores initially granted by Western Region and adjusted by Internal Review.

| Table. Complainant Appraisal Ratings and Potential Scores |                          |                 |                             |                 |
|---|--------------------------|-----------------|-----------------------------|-----------------|
| Year  | Initially Granted        |                 | Adjusted by Internal Review |                 |
|   | Overall Appraisal Rating | Potential Score | Overall Appraisal Rating    | Potential Score |
| 2006  | Fully Successful         | 60              | Fully Successful            | 60              |
| 2007  | Minimally Successful     | 52              | Fully Successful            | 60              |
| 2008  | Unacceptable             | Not scored      | Fully Successful            | Not scored      |

For 2006, the complainant's fully successful rating represented a 2-level reduction from her outstanding ratings received in the prior three years. The complainant's potential score also declined from 72 in 2005 to 60 in 2006<sup>1</sup>. The complainant disagreed with the appraisal rating in a memorandum to management. Management did not respond to her memorandum and did not file it in the official personnel file as she requested. Internal Review concurred with management's 2006 rating and potential score based on a limited reading of the appraisal and the complainant's disagreements, but objected to the exclusion of the complainant's disagreement from her personnel file. Internal Review stated that management's failure to document the complainant's appraisal comments in her official file was "inexcusable."

For 2007, the complainant disagreed with her minimally successful rating in a formal grievance but Western Region management rejected the grievance. Internal Review adjusted the rating to fully successful based on its evaluation of the audit performance criterion. Internal Review adjusted the rating because some of management's assertions in the appraisal were "inconsistent, not convincingly supported, unsubstantiated and not in accordance with the Agency standards." For example, Internal Review disagreed with management's assertions of untimely performance and its impact on the Agency's program plan. Internal Review attributed the timeliness issue to management's poor tracking of workload and said that management should not have rated the complainant against the Agency's program plan. Internal Review also disputed the assertion that the complainant did not communicate audit benefits to the customer. Internal Review also recommended increasing the promotion potential score from 52 to 60.

For 2008, the complainant disagreed with her unacceptable rating as part of her September 2008 complaint submitted to the Director of DCAA. Like the 2007 rating, Internal Review adjusted the 2008 rating to fully successful based on its evaluation of the audit performance criterion. Internal Review found several statements in this rating that were without merit. For example, Internal Review found no basis in support of management's claims that the complainant had failed to objectively evaluate pertinent facts, develop sound audit conclusions, or adequately document her conclusions in the working papers. After discovering management's unfounded assertions on just two

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<sup>1</sup> The 1-year drop in promotion potential score from 72 to 60 is significant and could have prevented the complainant from being considered for promotion to a higher graded position.

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assignments, Internal Review rejected the 2008 exit rating in its entirety and found it to be “harmful” to the complainant. In adjusting her performance rating to fully successful, Internal Review evaluated two of the six audits that the complainant had completed in 2008.

**Our Review.** We reviewed the appraisals and working papers supporting the Internal Review evaluation. We agree that the 2007 and 2008 ratings were significantly flawed. However, we question Internal Review’s recommendation to accept the 2006 fully successful rating and adjust the 2007 and 2008 ratings to fully successful. Internal Review did not articulate a detailed rationale for the fully successful ratings or compare the complainant’s overall performance to the established criteria for a fully successful rating. In addition, the fully successful ratings for 2007 and 2008 were based on Internal Review’s evaluation of the audit performance criteria only. Internal Review did not evaluate the other three criteria that should form the basis for these appraisal ratings. Also, Internal Review did not evaluate four of the six assignments that the complainant completed in 2008. Internal Review should not have relied on any portion of the 2006 through 2008 appraisals in adjusting overall ratings to fully successful. Due to the significant flaws found, Western Region management lacks any credibility with respect to rating the complainant.

Furthermore, we found no evidence that Internal Review took into account the highly stressful and harassing environment that the complainant had to endure. As discussed below under “Causing Undue Stress and a Forced Downgrade,” the complainant was essentially forced to take a downgrade due to the poor work environment. It would not be fair or reasonable to rate the complainant while ignoring the highly stressful work environment.

DCAA should reassess the complainant’s appraisal ratings and potential scores from 2006 to 2008, based on all performance criteria and work performed. The reassessment also needs to consider the highly stressful and harassing environment which might have impaired the complainant from performing at her full potential. After completing the reassessment for 2006 through 2008, DCAA should consider whether the fully successful ratings unduly influenced any subsequent year ratings (2009 and beyond). DCAA needs to take into account that the complainant was a top performer (outstanding) for 3 years prior to transferring to the Western Region and enduring the harassment.

DCAA pointed out that the employee bears the burden of justifying a rating higher than fully successful, in accordance with DCAA Personnel Manual, Chapter 17, Section 6. While only ratings above fully successful must be supported, this case involves a unique intervening factor (harassment) that might have prevented the complainant from realizing her prior high performance level. The complainant must be made whole as a result of the management misconduct by restoring the complainant’s ratings to what they would have been had the misconduct not taken place.

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## **2. Impeding Compliance with Generally Accepted Government Auditing Standards.**

We substantiated the overarching allegation that management impeded the complainant's ability to comply with Generally Accepted Government Auditing Standards (GAGAS), with one exception related to technical guidance requests. Management did impede compliance with GAGAS by imposing unreasonable time constraints and excessive emphasis on metrics. In doing so, Western Region management hindered the complainant's ability to perform a quality audit. The Internal Review report cited certain audits where management overemphasized metrics and imposed unreasonable time constraints, while appearing to ignore audit quality. We also agree with Internal Review's conclusion that the supervisor's flawed process for requesting budget hour increases could impact GAGAS by impeding the complainant's ability to perform quality audits.

DCAA did not take any specific actions in this case for improving the process of requesting budget hour increases because the supervisor who used the flawed process has since retired. Agency-wide, DCAA eliminated 18 productivity measures, developed 8 new performance measures, and re-emphasized its policy on zero-based budgeting<sup>2</sup> in September 2008. DCAA also made significant revisions to its training program provided to managers and supervisors. We plan to evaluate the effectiveness of these corrective actions under separate reviews.

We disagree with a portion of the complaint alleging that management prevented the complainant from complying with GAGAS when the supervisor required his team to coordinate all engineering technical guidance requests through him. The supervisor has the discretion of establishing such a procedure and we found no evidence that it hindered the complainant's ability to comply with GAGAS. However, we disagree with the Internal Review conclusion that the complainant did not follow proper procedure when she requested technical guidance. The complainant complied with existing procedure which allowed her to contact the engineer directly. The supervisor subsequently changed the procedure to require that future requests be coordinated through him, and we found no violation of the changed procedure.

## **3. Undue Stress Forced the Downgrade.** We substantiated the allegation that undue stress imposed by management essentially forced the complainant to request a downgrade to avoid continuing harassment. As discussed above, the appraisal ratings and promotion potential scores given to the complainant after she transferred to the Western Region were inaccurate, unfair, and lacked credibility.

Indications of undue stress and harassment from Western Region management are numerous. For example, the complainant received a 2007 mid-year rating which indicated that she was performing at the fully successful level yet, without warning, the complainant ended up receiving a minimally successful rating at year end. We noted that

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<sup>2</sup> Zero-based budgeting is the process during which the supervisor and the auditor discuss and agree on the budgeted hours required to perform an audit based on the risk assessment, audit scope, and audit program.

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the supervisor had initially drafted a year-end appraisal rating of fully successful, but the rating was revised to minimally successful after the supervisor consulted with the manager of the audit team. The personnel files do not include an explanation for revising the rating. Even as revised, the 2007 rating does not support a minimally successful rating. The 2007 rating comments include several noteworthy accomplishments, such as exceeding budget goals on certain assignments by 30 percent. Although a few negative comments were added to the revised rating, Internal Review concluded they were unfounded.

In 2008, management harassed the complainant throughout the year on immaterial budget overruns and other matters. Yet we noted that the complainant was only 23 hours over budget out of 1,382 budgeted hours for all of her assignments in 2008, or 1.7 percent over budget. Internal Review also concluded that management's overemphasis on metrics resulted in poor management practices and flawed performance appraisal criteria. The complainant's supervisor sent the following email regarding requests for budget increases:

“....In no case will a budget increase be approved to cover a budget overrun. Also, when a request for budget increase is made for an assignment where the budget has already been overrun, any approved budget increase will be reduced by the amount of the budget overrun....”

Like Internal Review, we find that applying such a restrictive process not only impeded compliance with GAGAS, it was harmful to the complainant and caused her great frustration.

Internal Review also noted that management failed to work with the complainant or counsel her on the alleged decline in performance. If the complainant's performance had actually slipped in 2006 and thereafter, the supervisor was required to counsel her. DCAA Personnel Manual chapter 17, Section 3.2(a) requires informal and formal counseling, throughout the year. Section 4-1(i) and (g) emphasizes the importance of counseling employees as soon as the need presents itself and developing the necessary training to improve employees' performance. Internal Review and DoD IG found no evidence that management had adequately counseled her or helped her to improve her alleged decline in performance as required. Although the complainant provided full explanations in response to negative criticism, those explanations were sometimes ignored by management. In one case, we found that management had criticized the complainant in a working paper, but management did not even route it to the complainant for explanation or correction. The complainant did not learn about the criticism until she received her minimally successful rating in 2007.

Management's failure to communicate effectively with the complainant was also evident when the supervisor inappropriately included her test score in one of the complainant's audit working paper packages. Including the test score in the working paper package where others could view it violated the complainant's right to privacy. While the complainant repeatedly requested in 2007 that the test score be removed, management once

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again ignored the complainant. Management did not remove the test score until Internal Review instructed them to do so in February 2010.

Rather than counsel the complainant, management instead planned to place her on a Performance Improvement Plan in April 2008, whereby the complainant had to show improvement within 90 days or face termination.

The overall treatment of the complainant suggests a pattern of stress and harassment so severe that the complainant requested a lower graded position at another office. We could not ascertain why Western Region management treated the complainant as poorly and unfairly as they did. The Internal Review report noted that the complainant was not a welcome addition to the Western Region audit team. Internal Review personnel told us they suspected that management wanted to fill her position with someone else within the Western Region but Headquarters required them to fill it with the complainant.

We commend Internal Review for recognizing this pattern of harassment and recommending reinstatement of her grade level with back pay. Internal Review also recommended paying the complainant a team award that Western Region management had unjustifiably denied her. While Internal Review did not recommend disciplinary action against those supervisors and managers who caused the harassment, Western Regional management is ultimately responsible for imposing such discipline in accordance with the Chapter 50 of the DCAA Personnel Manual. It was also not evident whether Western Region management implemented changes to its procedures in an effort to help prevent future reoccurrences. Failure to take appropriate action sends an unacceptable signal to management and employees that such conduct is, and will be, tolerated. Although two of the four supervisors and managers who participated in the inappropriate treatment have since retired, the remaining two still remain with the Agency in the same managerial pay grade.

## **Recommendations, Management Comments, and Our Response**

### **Recommendation A: We recommend that the Director, Defense Contract Audit Agency:**

- 1. Reassess the complainant's 2006 through 2008 performance appraisal ratings and promotion potential scores, considering**
  - a. all appraisal criteria and work performed by the complainant; and**
  - b. the harassment that the complainant endured;**

**Management Comments.** The Deputy Director concurred. The Deputy Director said that DCAA was not in a position to reconstruct the employee's ratings because

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the environment did not allow her to perform at her previously demonstrated potential. As an alternative, DCAA will revise the employee's 2006 through 2008 ratings and promotion potential scores to her 2005 demonstrated level of performance without any additional analysis. If appropriate, DCAA will also grant any award that might be due to the complainant for 2006 through 2008. DCAA will destroy all prior ratings for 2006 through 2008.

**Our Response.** The management comments are responsive. The alternative plan to revise the complainant's ratings to her 2005 demonstrated level of performance will satisfy the recommendation.

**2. Examine whether the adjusted fully successful ratings for 2006 through 2008 unduly influenced any subsequent performance appraisal ratings and promotion potential scores;**

**Management Comments.** The Deputy Director concurred. By November 30, 2010, DCAA will complete an assessment of the 2009 through 2010 performance appraisal ratings and the promotion potential score for the most recent year ended.

**Our Response.** The management comments are responsive. Once completed, DCAA should provide the results of the 2009 and 2010 assessments to the DoD Assistant Inspector General for Audit Policy and Oversight.

**3. Make any appropriate adjustments to the performance appraisal ratings and promotion potential scores for 2006 and beyond based on the reassessment and examination performed in response to Recommendations A.1. and A.2.**

**Management Comments.** Although DCAA did not specifically comment on this recommendation, it was adequately addressed in the management comments to Recommendation 1.a. above based on Deputy Director's alternative plan to revise the complainant's ratings to her 2005 levels.

**Our Response.** The management comments are responsive.

**4. Take appropriate administrative actions for the improper use of the performance appraisal process as a means of harassment by Western Region management officials; and**

**Management Comments.** The Deputy Director concurred. The Internal Review team will reissue its report to the new Western Regional Director, asking him to consider appropriate action. The Deputy Director will request a 30-day status report until the action is complete.

**Our Response.** The management comments are responsive.

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- 5. Evaluate the adequacy of current quality assurance procedures (including policies, internal controls, and training) to help prevent future instances where management uses performance appraisal ratings as a means of harassment.**

**Management Comments.** The Deputy Director concurred. Internal Review has revised its practices to document this type of evaluation during its investigations. In addition, DCAA is requiring that all managers and supervisors attend a supervisory course by March 2011, which addresses issues found during this investigation.

**Our Response.** The management comments are responsive.

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## **Appendix A. Scope and Methodology**

We reviewed the DoD Hotline complaint to determine if we could substantiate the allegations. As part of our review, we:

- reviewed the results of an investigation that DCAA Internal Review conducted;
- obtained and reviewed the working papers prepared and supporting documents gathered as part of the DCAA Internal Review investigation;
- interviewed the DCAA official who conducted the Internal Review investigation;
- interviewed the complainant and obtained additional documents related to the complaint;
- reviewed applicable DCAA policies and procedures, such as the DCAA Personnel Manual, Chapter 17, “Performance Management System”; and
- verified DCAA corrective actions taken and remedies provided to the complainant as a result of the Internal Review investigation.

We performed this review from January 2010 through September 2010.

**Use of Computer-Processed Data.** DCAA uses a Web-based data system to maintain all audit working papers, performance appraisals and promotional potential scores. However, we verified all data relied on during this review to source documents.

### **Prior Coverage**

During the last 5 years, the DoD IG has issued one report related to audit work deficiencies and work environment issues at DCAA, under Report No. D-2009-6-009, “Defense Contract Audit Agency Audit Work Deficiencies and Abusive Work Environment Identified by the Government Accountability Office,” August 31, 2009.

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## Appendix B. Chronology of Events

| Date               | Event Description  |
|--------------------|--|
| October 3, 2005    | Complainant transferred to the DCAA, Western Region audit team   |
| November 15, 2006  | Complainant received a fully successful appraisal rating for the period October 1, 2005 through September 30, 2006   |
| November 29, 2006  | Complainant informally disputed her 2006 rating in a memorandum to the manager of the audit team   |
| November 19, 2007  | Complainant received a minimally successful performance rating for the period October 1, 2006 through September 30, 2007                                       |
| November 19, 2007  | Complainant filed a formal grievance of her appraisal with the DCAA, Western Region Regional Special Program Manager   |
| December 4, 2007   | Regional Special Program Manager rejected her grievance and maintained the minimally successful performance rating   |
| April 24, 2008     | Complainant requested a downgrade to a Senior Auditor position (grade 12)  |
| May 19, 2008       | Complainant received an unacceptable performance rating for the period October 1, 2007 through May 10, 2008  |
| September 23, 2008 | Complainant sent a complaint to the Director of DCAA, contesting her unacceptable rating and alleging harassment   |
| September 24, 2008 | DCAA Headquarters referred the complaint to the DoD Hotline  |
| September 24, 2008 | DCAA Internal Review team launched its investigation   |
| January 29, 2009   | DCAA Internal Review held an exit conference with the Regional Director, Western Region, and the complainant to discuss its draft findings and planned actions |
| February 11, 2009  | DCAA adjusted the complainant's appraisal covering the period October 1, 2007 through May 10, 2008 from unacceptable to fully successful                       |
| February 23, 2009  | DCAA reinstated the complainant's grade 13   |
| March 13, 2009     | DCAA revised the complainant's appraisal rating covering the period October 1, 2006 through September 30, 2007 from minimally successful to fully successful   |
| March 19, 2009     | Complainant received partial back pay for the loss in wages resulting from the downgrade   |
| March 20, 2009     | Complainant received a 2007 team award previously denied to her  |
| February 18, 2010  | DCAA Internal Review issued its completion report  |
| July 9, 2010       | Complainant received the remainder of the back pay due to her  |

SUBJECT: Response to Department of Defense Inspector General (DODIG) Draft Report, *Hotline Allegations of Management Harassment Involving the Defense Contract Audit Agency Western Region*, [REDACTED] (Project No. D2010-DIPOAI-0251.000)

**DCAA Response. Concur.** By DCAA policy, yearly ratings are based solely on work in that period and therefore there should be no “undue subsequent influence.” To assure this did not happen, IR will complete an assessment of the FY 2009 – FY 2010 performance appraisal ratings and the promotion potential score for the most recent year ended, by November 30, 2010.

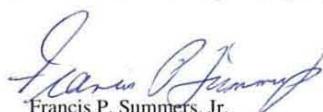
3. Take appropriate administrative actions for the improper use of the performance appraisal process as a means of harassment by Western Region management officials; and

**DCAA Response. Concur.** The DCAA IR team was focused on assessing the validity of the ratings, and, once it concluded that the ratings were deficient, the recommendations were directed at making the employee whole. As noted in the DoD IG draft report, most of these corrective actions were completed by March 2009 based on IR communication with regional management in advance of the report issuance in February 2010. Therefore, most of the make whole actions were completed within six months of the allegation. However, the earlier IR report does not contain an explicit recommendation to hold people accountable, and we will reissue the IR report to do so. Accordingly, the IR team will reissue its report to the new Regional Director asking him to consider appropriate action. We will request a 30 day status report until action is complete.

4. Evaluate the adequacy of current quality assurance procedures (including policies, internal controls, and training) to help prevent future instances where management uses performance appraisal ratings as a means of harassment.

**DCAA Response. Concur.** The inappropriate use of performance appraisals is already contrary to DCAA policy and the IR report relies on the existing policies to that effect. However, IR has revised its practices to document this type of evaluation during its investigations. In addition, we are having all DCAA managers and supervisors attend the new supervisory course, which already addresses issues found during this investigation, offered by DCAI by the end of March 2011.

Please direct any questions on this memorandum to the undersigned at (703) 767-3200.



Francis P. Summers, Jr.  
Deputy Director



# Inspector General Department *of* Defense